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PUBLIC VERSION

November 13, 2001

Ms. Gloria Blue
Executive Secretary
Trade Policy Staff Committee
Office of the USTR
600 17th Street, NW
Washington, DC 20508

VIA ELECTRONIC MAIL

fr0001@ustr.gov

PUBLIC VERSION

Re: Request for Exclusion of Products from Any Increased Duty, Tariff-Rate Quota, or Quantitative Restriction with Regard to Imports of Certain Steel

Dear Ms. Blue:

This submission is filed on behalf of Dana Corporation pursuant to the Federal Register notice entitled Trade Policy Staff Committee; Public Comments on the Potential action Under Section 203 of the Trade Act of 1974 With Regard to Imports of Certain Steel, 66 Fed. Reg. 54321 (October 26, 2001) seeking to have certain aluminum clad steel excluded from any increased duty, tariff-rate quota, or quantitative restriction.

Dana believes that this merchandise may already be excluded by the Annex II exclusion for certain corrosion-resistant carbon steel flat products clad on both sides with aluminum. However, to the extent that this merchandise is not so excluded, Dana requests that it be excluded.

Pursuant to 15 CFR 2003.6, Dana requests that certain information contained in this submission be treated as business confidential and not disclosed to the public. The specified information constitutes trade secrets, and commercial and financial information the disclosure of which is not authorized by Dana.

Dana Corporation is a purchaser of the material at issue in this request. The information requested in the above-referenced Federal Register notice is as follows:

- (a) The designation of the product under a recognized standard or certification (e.g. ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States.**

The specification for the merchandise at issue here requires that the steel meet the requirements of ST3 LG per DIN 1624/1544. This product is cold rolled carbon steel strip with aluminum cladding on each side. The width of the aluminum cladding on each side is less than 10% of the total thickness of the material.

It is Dana's understanding that when the merchandise enters the United States it is classified under HTS number 7212.60.0000. However, because Dana is merely a purchaser, and not the importer, Dana cannot state the HTS number under which the product is entered with assurance.

- (b) A description of the product based on physical characteristics (e.g. chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought.**

The physical characteristics of the merchandise for which Dana seeks exclusion that distinguish it from products for which exclusion is not sought have to do with the cladding on the product. As discussed above, this product is steel clad with aluminum on both sides. This cladding and the ratio are the most important characteristics that differentiate this merchandise from other merchandise.

- (c) The basis for requesting an exclusion.**

Dana seeks an exclusion for this clad carbon steel strip product for two related reasons. First, Dana has attempted to, and been unable to source this merchandise from a United States mill. It is Dana's experience, understanding and belief that there is no mill in the United States that produces this merchandise clad in aluminum in the required ratio.

The second important reason that Dana seeks an exclusion for this merchandise is that the finished product made from this aluminum clad steel has been specifically engineered and approved in its performance to be made with this product. This engineering and performance approval means that Dana does not have the option to substitute a different clad product that may be available in the United States. Therefore, Dana cannot supply the end user with its product without utilizing imported material.

Because Dana is not able to source this material in the United States, and because its customer requires that the final product utilize this aluminum clad steel, Dana seeks to have this specific merchandise excluded from any increased duty, tariff-rate quota, or quantitative restriction.

(d) The names and locations of any producers, in the United States and foreign countries, of the product.

To the best of Dana's knowledge, experience, and belief, there is no United States producer of this merchandise. While there are United States producers that produce clad steel products, there are none to Dana's knowledge which do, or will produce aluminum clad steel in the required configuration.

Wickerder-Ruhr Metals of Germany is the producer of the merchandise Dana uses. It is not clear to Dana whether other producers around the world also produce aluminum clad steel in the required configuration.

(e) Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for these projections.

Dana has no basis for stating the total United States consumption of this extremely specific product. It appears that no trade data sources offer a detailed enough breakdown to reflect the importation only of aluminum clad steel in the required configuration. Information contained on the International Trade Commission web page, for instance, appears to encompass a tremendous range of products beyond the specific merchandise for which Dana seeks exclusion.

Dana also has no basis for projecting total United States projected annual consumption for the 2001 to 2005 period. However, Dana projects its own purchases of this material in pounds for the 2001 to 2005 period as:

<u>2001</u>	<u>2002</u>	<u>2003</u>	
[***	***	***] ¹

These estimates are based on Dana's history of supplying finished goods with this material, and information regarding expected usage received from Dana's customer. Dana is unable to estimate projections for 2004 or 2005.

(f) Total U.S. production of the product for each year from 1996 to 2000, if any.

To the best of Dana's knowledge and belief there has been no United States production of this material in the period 1996 through 2000.

¹ This data reflects Dana's expected material usage going forward (commercial information).

- (g) **The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.**

For Dana's purposes, there are no substitutes for this merchandise. The finished product has been engineered by Dana and approved by its customer to be produced from this standard of steel, and to be clad in aluminum in the required configuration. Insofar as Dana has been unsuccessful in its efforts to find a United States mill to supply this material within those specifications, Dana seeks to have this product excluded. Therefore, Dana lists no United States produced substitutes here. Similarly, Dana does not list United States production amounts or the names of substitute product producers.

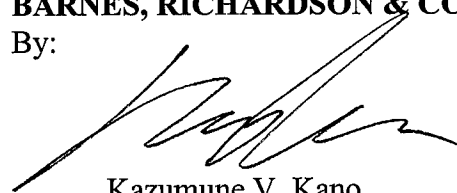
As reflected in the information provided above, imports of this merchandise have not had, and will not have, any adverse impact on the United States steel industry. This is true because there is no United States member of the steel industry that a) produces, or b) expressed any willingness to produce this merchandise in the gauge needed by Dana. As such, imposition of increased duties, tariff-rate quotas, quantitative restrictions, or any other relief for the United States steel industry will have an adverse effect on Dana's operations without benefiting the United States steel industry. Therefore, Dana respectfully requests that this merchandise be excluded from any relief the President may grant in connection with this matter.

Thank you for your attention to this matter. Please feel free to contact us if you have any questions regarding this matter.

Very truly yours,

BARNES, RICHARDSON & COLBURN

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